

NEW SUSTAINABLE ECONOMIC DEVELOPMENT LEGISLATION

SB 1 (Steinberg) of 2013

Background:

On December 29, 2011, the California Supreme Court required the dissolution of California redevelopment agencies. However, in the wake of stubborn unemployment and recession, resources are needed to stimulate economic development in a strategic manner. SB 1 would authorize the creation of **Sustainable Communities Investment Areas**. This legislation will give cities and counties a modest tool to support sustainable economic development that creates good jobs, affordable housing and a healthy environment.

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- Communities would be authorized to create Sustainable Communities Investment Areas in transit priority areas, clean manufacturing districts and small walkable communities. Projects in these areas would relieve blight according to legislative findings. No local determination of blight would be required.
- Tax increment financing would be available to support economic development, but the school share would be protected so that the program would not impact the State general fund.
- Tax increment financing would be authorized to support High Speed Rail stations and related infrastructure.
- A city or county could form a Sustainable Communities Investment Authority and access its own share of tax increment or greater levels of tax increment could be accessed through local government collaboration.
- Projects supported by Sustainable Communities Investment Areas will require the inclusion of a jobs plan describing the short and long term benefits of the program.
- Plans for Sustainable Communities Investment Areas will include all the affordable housing protections of the current redevelopment law.
- Sustainable Communities Investment Authorities will have all the powers, duties, and obligations that former redevelopment agencies possessed under the Community Redevelopment Law.
- 5 year audits would be required under the new program pursuant to guidelines set by the Controller.

Supporters include (partial list):

American Lung Association in California, Bridge Housing, California Building and Construction Trades, AFL-CIO, California Coastal Protection Network, California Federation of Labor, AFL-CIO, California League of Conservation Voters, DMB Pacific Ventures, Environment California, Los Angeles Alliance for a New Economy (LAANE), Los Angeles County Federation of Labor, AFL-CIO, Natural Resources Defense Council (NRDC), United Food and Commercial Workers, Local 770, UNITE-HERE, Local 11.
